Tax-Exempt Status at Risk for Local Groups
WASHINGTON, D.C Hundreds of local tax-exempt, nonprofit organizations could lose their exempt status if they don't file required forms by May 17.
The Pension Protection Act of 2006 stipulates that most tax-exempt organizations (other than houses of worship) must file a yearly return or notice with the IRS. If an organization hasn't filed a return in the past three years, the law provides that it will lose its tax-exempt status.
That would mean the organization will have to file income tax returns and pay income tax, and that its contributors won't be able to deduct donations. Organizations would have to file all over again for tax-exempt status.
There is a website with a searchable database available to help organizations identify if their non-profit status is at risk:
http://nccsdataweb.urban.org/PubApps/statePicker.php?prog=epostcard&display=state

The smallest nonprofits (gross receipts under \$25,000) only need to fill out Form 990-N, also known as the e-Postcard. Completing the e-Postcard requires the eight items listed below:

- Employer identification number, also known as a Taxpayer Identification Number
- Tax year
- Legal name and mailing address
- Any other names the organization uses
- Name and address of a principal officer
- Website address if the organization has one
- Confirmation that the organization's annual gross receipts are normally \$25,000 or less
- If applicable, statement that the organization has terminated or is terminating (going out of business)

The IRS has detailed information on who needs to file, as well as other resources to help affected organizations. That information can be found here:

http://www.irs.gov/charities/article/0,,id=217087,00.html

The National Council of Nonprofits provides information on their homepage:

http://www.councilofnonprofits.org.

The California Association of Nonprofits has information here:

http://www.canonprofits.org

###